



**FMSIC Meeting Notes
February 12, 1998
Crowne Plaza Hotel
Nashville, TN**

Attendees: Tom Baranouskas-PNNL, Ralph Bonner-Sandia, Doug Buck-Sandia, Bruce Chrisman-Fermi Lab, Roger Corless-FDH, Gregg Crockett-K-H, Bill Goodwin-LMITCO, Paul Grefenstette-WSRS, Jim Herring-LANL, Paul Keele-DOE-ID, Jim Lopez-LLNL, Jim Martin-DOE-OR, Brian Morishita-LMITCO, Ron Ragland-LMES, Jim Reid-DOE-HQ, and Betty Smedley-DOE-HQ

Guest: Tony Bleach-Princeton

Not present: Midge Vivian-DOE-ID

Ragland:

- Introduced Bruce Chrisman and Tony Bleach.

Observations/actions from the FMSIC/ORAU New Business System Workshop:

- Movement towards cots (commercial off-the-shelf) software packages particularly towards Oracle, PeopleSoft and SAP.
- A listing of requirements, scripts, lessons learned and best practices will be gathered from the presenters by the Clearinghouse and made available upon request.
- Three commitments came out of the workshop. (1) An Oracle user group was established and will be led by John Lesesne of ORAU. (2) The GRAF Toolkit will be provided by Jim Edwards of LMES. (3) Copies of the overhead slides will be provided by the Clearinghouse to those who requested them.
- An Oracle user group meeting will be held on the Tuesday prior to the FMSIC All-Contractors Meeting in St. Louis.

Reid Smedley:

- Looking at replacing DISCAS with a cots package.
- The Budget Results Council (BRC) met the previous week for its kickoff meeting. The BRC is comprised of 3 HQ personnel (Lynwood Henderson, Betty Smedley and Jon Mathis), 4 program personnel (Eli Bronstein-EM, Ralph Delorzenzo-ER, Tony Lane-DP, Chuck Roy-FE), 2 DOE field office CFOs (Judy Penry-Oakridge and John Pesoscolido-Savannah River), 4 contractors (Tom Baranouskas-PNNL, Jeffrey Fernandez-LLNL,



Bruce Hanni-Bechtel NV and Terry Olsen, LMITCO). Lynwood Henderson and Jeffrey Fernandez were elected co-chairs to 1 and 2 year terms, respectively. Will meet three times a year and members will serve on the Council 2 and 3 year terms. The BRC selected the following initiatives to work on:

- PREPARE REPORT ON LIMITED YEAR APPROPRIATIONS
- CHART (MAP) FLOW OF BUDGET PROCESS
- STREAMLINE AFP PROCESS(Automation)
- MULTI PROGRAM SITE FUNDING
- BUDGET FORMULATION - DEFINE MAJOR ELEMENTS OF THE FORMULATION PROCESS
- SURVEY WORK AUTHORIZATION SYSTEM
- EXAMINE BENCHMARKING

Defense Authorization Act. John Pesocolido will lead a team to look at limited appropriation (no year funding) and develop options. The purpose of this is to address uncosted balances. He needs input from FMSIC membership. Tony Bleach of PPPL reported they started reporting on annual funding and it caused a lot of problems. Jim Martin has a copy of a study of WFO relating to this.

The budget formulation process will be mapped out.

Look at reducing the funding authorization 45-60 day cycle to 5 days using electronic authorizations.

The BRC would like to hold its All-Contractors Meeting in conjunction with FMSIC's.

- MIN. Asset sales initiative. A workgroup was created to look at assets and are trying to develop incentive programs (seed money). Contractors will make proposals for material disposition and it is being looked at how to monitor the incentive program.
- Travel vouchers. A memo was issued stating copies, certification and receipts are no longer required of contractors requesting reimbursement from other contractors.
- Foreign transactions. Waivers to this requirement were denied twice by the Department of Commerce.
- Freight reporting. GSA requirement. No legislative basis for obtaining a waiver. A GSA approved contractor can be hired by the DOE sites to review the freight bills and keep the savings. Not sure how much GSA is saving. GSA found savings go to the miscellaneous in the Treasury. Jim will find out how much GSA is saving, if there is a listing of GSA approved contractors and will check into ATMS.



- Foreign Travel Reporting. DOE is looking for an automated system to status before, during and after DOE trips. Betty requested assistance from all members if they had suggestions. It was also mentioned that this could be a good activity to apply activity based costing.
- General Purpose Equipment. A group comprised of representation from EM, DP and ER plus Jim Reid, Jim Martin and Lee Elster was formed to look at GPE. Upon reviewing data concluded that labs were spending .4%-1.7% of total lab funding on this. Considering a pilot project among multi purpose labs (LLNL, LANL, SNL, PNNL, INEEL, LBL and Nevada) for two years. Also, with the pilot GPE cannot exceed 1.5% of annual total site costing excluding other capital costs and exception require field office manager approval. Non committed carryover permitted. This proposal has not gone further than this working group.
- Managerial accounting standard. Must allocate non funded costs. Based upon FASAB. Government must recover costs on a full cost basis and is required to look at by law. DOE trying to respond to a Congressional request. Jim asked for comments from all members on this. It was also mentioned that the capitalization of software is being considered.
- Added factor. Waiver process was found to be non-value added. Currently waiting on an opinion from legal. \$30-\$40M generated from added factor and depreciation.

Functional Cost Peer Review - Ragland

- The schedule for the functional cost peer review was established and distributed to the members.

Pricing of Products - Keele

- Two fundamental issues. (1) Pricing of products and services and (2) Application of CAS. It was asked if the Council wanted to continue to examine this issue for it deals with excess capacity and how to deal with it. A decision was made to move ahead. Need more volunteers.

Audits and 100% Audits - Bonner

- The current direction is to move towards commercial like practices by saving dollars.

Members were asked to pass their comments (re statistical sampling) to Ralph within the next two weeks.



Budgeting Benchmarking - Baranouskas

- Tom Baranouskas will assume responsibility for this.

Discussion Topic for Future FMSIC Meetings.

- All members are asked to report on their system changes.

Work for Others Order

- Owned by Procurement.

Debt Collection

- Jim Lopez asked if other sites were being pressured on their debt collection. No significant activities among the other sites.

FMSIC All-Contractors Meeting

The following is a listing of topics selected by the Council for the ACM:

- * DOE-HQ update
 - * Report by the Inspector General's office
 - * Contractual Issues of the Day (Contract Reform)
 - * Highlights of the FMSIC/ORAU New Business System Workshop
 - * Budget Results Council
 - * Integrated Management Contractor
 - * Performance Based Incentives
 - * Graf Toolkit
 - * P-Cards and Commitment Reporting on the Web
 - * Simplifying Indirect Accounting
 - * Cross Contractor Collaboration: LANL and PNNL
 - * Data Warehousing
 - * Electronic Business on the Web
 - * Web Security
 - * Tools & Skills
 - * Best Practices
 - * ABM at AlliedSignal
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- Council members were requested to submit to Brian a listing of five best practices for possible presentation at the ACM.



FMSIC ACTION ITEMS

February 12, 1998

<u>Action</u>	<u>Responsible Member</u>	<u>Due Date</u>
Five Best Practices for ACM topic sent to Brian	All contractor members	03/06/98
Travel vouchers - level of activity of audited/extrapolation data (Ralph will issue instructions to all of the Council members)	All contractor members	03/01/98
Make available functional learned from requirements, scripts and lessons workshop presenters	Brian Morishita	Open
Startup of Pricing of products working group and status report	Allan Johnston/Paul Keele	Open
Functional Cost Peer Review Status	Ron Ragland	Next meeting
Application of activity based costing to the foreign travel process	Open	Open